



Fiscal Year 2014-15 Third Quarter Financial Status Report

County of San Luis Obispo

Introduction

In accordance with the Board's adopted policy related to Ongoing Budget Administration, this Third Quarter Financial Status Report provides an overview of the County's financial position at the end of the Third Quarter of FY 2014-15. The third quarter timeframe is January 1, 2015 through March 31, 2015.

The Third Quarter Financial Status Report is organized in the following six sections:

Section 1 - Provides an overview of the County's financial position at the end of the third quarter. A brief summary of noteworthy financial or operational issues by fund center is also provided. Comments are not provided for fund centers reporting no issues in the third quarter.

Board Policy: Ongoing Budget Administration

It shall be the responsibility of the County Administrative Officer to submit Quarterly Financial Status Reports to the Board of Supervisors. These reports shall provide a projection of expenditures and revenues, identifying projected variances. They may also include recommendations and proposed corrective actions which may include mid-year reductions.

Section 2 - Provides a big picture analysis of third quarter revenue receipts by category (e.g., taxes, charges for services, etc.) and fund (e.g., General Fund, Road Fund, etc.) as well as a review of contingency, designation and reserve activity.

Section 3 - Provides a listing of all personnel changes approved by the Board of Supervisors during the third quarter.

Section 4 - Provides miscellaneous financial items for the Board's consideration, such as requests from departments for acceptance of gift funds and donations, requests for relief from accountability for uncollectible debt, miscellaneous budget adjustments, and a request from General Services to declare vehicles surplus and authorize their disposal.

Section 5 - Provides an update on the capital improvement and maintenance projects managed by General Services, Public Works, Airports, and Golf.

Section 6 - Provides the annual Debt Review update from the Auditor-Controller-Treasurer-Tax Collector-Public Administrator (ACTTCPA). The report confirms that the County is in compliance with legal debt limitations and comments on the County's overall debt.

Section 1: Overview of Financial Position

The table below compares the current year and prior year third quarter expenditures and revenues for all funds and the General Fund.

Expenditure and revenue patterns for the third quarter of FY 2014-15 are consistent with those in the third quarter of FY 2013-14. The revenue realization rates shown in the tables at right are typical for the third quarter due to the time lag involved in billing cycles and receipt of reimbursements, and because some of the largest revenue sources are historically realized closer to the end of the fiscal year.

Expense & Revenue <u>All Funds</u> Comparison		
	3rd Quarter FY 2013-14	3rd Quarter FY 2014-15
Expenditures	57%	56%
Revenue Realized	58%	55%
Expense & Revenue <u>General Fund</u> Comparison		
	3rd Quarter FY 2013-14	3rd Quarter FY 2014-15
Expenditures	63%	66%
Revenue Realized	60%	60%

The Third Quarter Financial Status Report is typically when County departments make year-end adjustments. Approximately \$8.8 million in unbudgeted expenditures is projected through year end. County departments report that they expect to absorb 94% or approximately \$8.3 million of this through a combination of salary savings generated by staff vacancies, reductions in services and supplies costs, and unanticipated revenue. The balance of the expenditures is proposed to be covered with \$494,295 of General Fund contingencies.

Of the \$8.8 million in unbudgeted expenditures, approximately \$7.4 million (84%) is due to prevailing wage adjustments granted to many employee bargaining units and the one-time \$1,000 Health Care Cost Offset payment to all permanent full-time employees and a prorated amount to all permanent part-time employees in FY 2014-15. As previously reported to the Board, departmental savings will be the primary source of funding for unbudgeted expenditures associated with the compensation increases. To the extent departmental savings are not available to cover the amount, staff recommends that your Board authorize a transfer of General Fund contingencies and/or reserves to the departmental operating budgets, as needed, as part of the Third Quarter Financial Status Report.

The majority of County departments report that they expect to absorb the prevailing wage adjustments, with the exception of the five fund centers shown below.

AMOUNT NEEDED FROM CONTINGENCIES TO COVER PREVAILING WAGE INCREASES		
FC	Department	Amount
100	Board of Supervisors	\$10,728
105	Auditor Controller	\$115,040
108	Treasurer-Tax Collector-Public Administrator	\$20,182

142	Agricultural Commissioner	\$94,842
215	Farm Advisor	\$3,503
	Total	\$244,295

Of the \$494,295 General Fund Contingencies needed, \$244,295 is needed to cover the prevailing wage adjustments, and \$250,000 is needed to cover unbudgeted Public Defender expenditures. Additional detail is included below.

The table below provides a summary of third quarter expenses and financing sources.

ADDITIONAL EXPENSE	AMOUNT
Prevailing Wage Expense	\$7,355,022
Other Expense	\$1,398,345
TOTAL EXPENSE	\$8,753,367
FINANCING SOURCES	AMOUNT
Expenditure savings	\$7,380,560
Unanticipated Revenue	\$878,513
General Fund Contingencies	\$494,295
TOTAL FINANCING SOURCES	\$8,753,367

The summary below highlights notable issues by department, including an update on the Airports budget and enplanement levels, per Board direction, and a financial update on Camp Mabel French.

Department: Clerk-Recorder
Fund Center: 110
Issue: Shortfall of Recording Revenue
Impact to General Fund: \$0

The decline in recording revenue was reported to your Board throughout FY 2013-14 and the First and Second Quarter Financial Status Reports; however, recent trends seem to indicate recording revenue is rebounding. At

the end of the third quarter, recording revenues are less than 1% below FY 2013-14 third quarter levels, though they have risen 5% from the second quarter of this year. Deeds of trust recording have increased by 8%, which indicates property movement. In the second quarter, the department estimated that there would be a shortfall in recording revenue of \$120,000; the shortfall has been revised to \$34,500 at year end, due to increased activity seen in the third quarter. The Clerk-Recorder will be able to mitigate the revenue shortfall with unanticipated revenues and decreased expenditures to avoid any impact to the General Fund.

Department: County Fire
Fund Center: 140
Issue: Unbudgeted increase in expenditures of about \$267,426
Impact to General Fund: \$0

Cal Fire staffs and operates the County Fire Department under a contract between the County and the State of California. The annual cost of this contract is subject to expense increases due to changes in rates charged by the California Public Employees'

Retirement System (CalPERS), as well the State's collective bargaining agreements relating to firefighters and other Cal Fire labor units.

In September, two such changes went into effect. First, Cal Fire's employee benefit rates increased based on changes in assumptions made by CalPERS. Second, the

State increased firefighter salaries retroactive to July 1, 2014. This was done as a result of collective bargaining that took place following the statewide increase in the minimum wage, which increased from \$8/hr. to \$9/hr. on July 1, 2014. Collective bargaining was triggered because Firefighter I salaries are pegged to minimum wage, and therefore increased 12.5% (or \$1/hr.). Although the County's contract with the State includes no Firefighter I positions, salaries for Firefighter II positions were "compacted" by the increase, because there was no longer a meaningful difference in compensation between the Firefighter I and II levels, despite the difference in skill and experience between the two levels.

The aggregate impact on the cost of the County's contract with Cal Fire at year end from these two unbudgeted expense increases is projected to be \$267,426. This is 2% higher than the projected cost of what the contract would have been without the mid-year expense increases driven by the increase in cost for State fire personnel. County Fire had estimated in prior quarterly reports that this unbudgeted expense could be as high as \$763,762 or 4.9% more than the budgeted expense for Cal Fire's contract. However, a number of factors have helped hold down the actual expense from this increase, which County Fire projects it will be able to absorb through expenditure savings, with no impact to the General Fund at year end.

Several factors contribute to this projected outcome. The estimate in prior quarterly reports was based on the budgeted personnel cost, which assumed full staffing and top step for all positions. Actual staffing includes vacancies and positions paid at less than top step. Prior estimates also assumed a six month fire season. However, the 2014 fire season ran longer than six months and the 2015 fire season began early, which resulted in significant savings to the County, due to the State covering the cost of some Cal Fire personnel (those in "Amador agreement" stations) for a greater portion of the year. Lastly, additional savings was also realized due to some County-funded positions being assigned to fires outside the County. The cost for these positions is reimbursed by the State.

Overall, expenditures are projected to come in \$308,400 or 1.4% under budget and revenues are projected to exceed budget by \$109,761 or almost 2%. As a result, County Fire projects General Fund expense savings of \$418,162 or almost 3% at year end.

Health Agency

Overall, the Health Agency expects to end the year with a General Fund support savings of approximately \$522,000 as a result of significant savings in the Medically Indigent Services Program (MISP). The MISP budget is estimated to require \$791,000 less General Fund support than budgeted due to lower than expected enrollment due to implementation of the Affordable Care Act. The Health Agency also projects that the Animal Services and Public Health budgets to end the year with a combined total General Fund support savings of almost \$428,000, bringing the total estimated savings to the General Fund of approximately \$1.2 million. However, the Behavioral Health and Law Enforcement Medical Care (LEMC) budgets are expected to exceed their budgeted level of General Fund support at year end by a combined total of almost \$697,000, for net total agency savings to the General Fund of \$522,000.

The issues facing the Behavioral Health and LEMC budgets as well as information on the lower than expected spending levels for MISIP are discussed below.

Department: Health Agency- Law Enforcement Medical Care (LEMC)
Fund Center: 184
Issue: Revenue shortfall and unanticipated expenditures
Impact to General Fund: \$0

The Health Agency is projecting that the LEMC budget will exceed its budgeted level of General Fund support by \$162,267 at year end. This is due to two factors: an overall shortfall in revenue of \$50,589 and unbudgeted expenditures of \$111,678.

The shortfall in revenue is associated with \$98,325 in Medi-Cal reimbursement revenue that is not expected to be received this fiscal year. This revenue was budgeted due to the implementation of the Affordable Care Act and the expansion of Medi-Cal coverage to childless single adults. Under the Medi-Cal expansion the State will now reimburse for acute hospital care provided to Medi-Cal eligible inmates admitted to a hospital for at least 24 hours. However, the State has not yet issued a protocol for claiming reimbursement for these expenses and it is not known if the State will accept claims retroactively back to the beginning of the fiscal year once the protocol has been released. Therefore, the Health Agency is assuming that none of the \$98,325 of Medi-Cal revenue budgeted this year will be received. Fortunately, unanticipated revenue from other sources such as Realignment will help mitigate a portion of this Medi-Cal revenue shortfall.

Expenditures are projected to exceed budgeted levels in LEMC for a variety of reasons. Salaries and benefits are expected to exceed budgeted levels by \$64,258 or 3% due to prevailing wage adjustments approved by the Board and use of overfilled positions to ensure sufficient coverage of shifts at the jail. Services and supplies expenditures are projected to exceed budgeted levels by \$116,640 primarily due to approximately \$91,000 in combined charges from Behavioral Health and Public Health for staff resources provided to LEMC, higher pharmaceutical expenditures and the cost of a small remodel in the jail medical area.

Department: Health Agency- Behavioral Health
Fund Center: 166
Issue: Revenue shortfall
Impact to General Fund: \$0

The Health Agency is projecting that the Behavioral Health budget will end the year exceeding budgeted General Fund support by \$534,508 or 8%, primarily due to a shortfall in revenue. This is an improved situation compared to the \$624,362

projected overage in General Fund support reported to your Board in the Second Quarter Financial Status Report. In total, Behavioral Health estimates that revenue will fall short of budgeted levels by almost \$2.2 million or 5%. Most of this shortfall is associated with staff vacancies or savings in other expenditures which would have been offset by reimbursement revenue (such as Mental Health Services Act funds, Medi-Cal, grant funding, etc.).

Overall, Behavioral Health is expecting to end the year with expenditure savings of approximately \$1.7 million. While there is a projected savings of almost \$2.4 million or 7% in salaries and benefits due to several staff vacancies, expenditures in the services

and supplies accounts are expected to exceed budgeted levels by more than \$874,000 or 3%. This is due to unbudgeted expenditures for contract psychiatry services provided by Locum Tenens. The Health Agency has been unable to fill 5.50 FTE vacant Staff Psychiatrist positions despite the increase in compensation the Board approved in FY 2013-14 for these positions. The associated unbudgeted expense for these contractors of approximately \$875,000 will be offset by the salary savings accrued from the vacant Staff Psychiatrist positions.

As staff indicated in the FY 2014-15 Second Quarter Financial Status Report, there are three revenue resources that are expected to fall short by year end, with a combined total of approximately \$592,000. These three revenue sources include, Medi-Cal Administrative and Quality Assurance revenue, Medi-Cal reimbursement for services provided to clients at the Psychiatric Health Facility, and Medi-Cal Administrative Activities (MAA). Only a small portion of this revenue shortfall will be offset by expenditure savings in other areas, resulting in a General Fund impact of \$534,508. However, savings in General Fund support elsewhere in the Health Agency, primarily the MISP budget, will be sufficient to absorb the full amount of this General Fund impact.

Department: Health Agency – Medically Indigent Services Program (MISP)
Fund Center(s): 350
Issue: Significant expenditure savings due to low enrollment
Impact to General Fund: \$0

Under the State Welfare and Institutions (W&I) Code 17000, the County is required to provide for medical care of indigent residents who have no other payer source (i.e. Medi-Cal or private health insurance.)

With the inception of the Medi-Cal expansion under the Affordable Care Act (ACA) on January 1, 2014, the majority of indigent medical care clients became newly eligible for Medi-Cal. The ACA includes a mandate that all individuals must have health insurance, with a few exceptions. Therefore, uninsured individuals with incomes at 139% - 250% of the Federal poverty level must either purchase subsidized health care coverage through the State's Health Benefits Exchange (known as Covered California) or seek approval for an exemption due to financial or other verifiable hardships. Those individuals who meet the requirement for a hardship exemption, and who have a medical need, qualify for financial assistance for medical bills through the County's MISP program.

As of the end of the third quarter, the Health Agency has expended \$311,638 on medical care out of the \$1,222,000 budgeted, reflecting a savings of almost \$910,400 (75%). This is due to the significant decrease in the number of clients served compared to the 350 clients the Health Agency assumed would be served in FY 2014-15. As of the end of the third quarter, 263 individuals sought MISP services, but only 15 individuals were enrolled in the program. The Health Agency expects enrollment numbers to increase over the remainder of the year as a result of grant-funded outreach and education efforts currently underway. Health Agency staff are collaborating with the Department of Social Services (the department that determines eligibility for Medi-Cal) to promote the availability of MISP to eligible clients.

Given the low MISP enrollment rate, some of the staff time assigned to the MISP program has been shifted to work on other programs operated by the Health Agency

such as LEMC and the California Children's Services program, funded in the Public Health budget. Charges to the LEMC and Public Health budgets have helped offset a portion of the cost of these positions. In addition, the Health Agency has received approximately \$62,000 in grant funds for Medi-Cal Outreach and Enrollment and expects another \$24,000 in Medi-Cal Administrative Activities revenue.

At this time, the Health Agency is projecting a savings in General Fund support for indigent health care of \$790,517 based on the assumption that a total of 50 individuals will be served by MISD by year end. The amount of General Fund savings could be higher if enrollment numbers and/or medical expenditures do not increase beyond existing levels.

Department: Social Services - Foster Care and Adoptions
Fund Center(s): 181
Issue: Unanticipated expenditures of \$375,500
Impact to General Fund: \$0

At the end of the third quarter, the department of Social Services is reporting that expenditures for Foster Care/Adoptions are projected to exceed budgeted levels by \$375,500 at year end (an approximate \$252,242 increase to the County's share of costs). This anticipated overage is due to

several different factors. First, while ongoing Foster Care caseloads have decreased 9% in FY 2014-15 compared to FY 2013-14, Foster Care intake caseloads have increased from an average of 15 to an average of 27 (an 80% increase) and adoptions caseloads have increased from an average of 594 in FY 2013-14 to an average of 608 in FY 2014-15 (a 2% increase).

Second, there is an increase in certification costs for the Resource Family Approval (RFA) program. The RFA program standardizes the rules and processes for certifying foster and adoptive parents, which has increased the amount of time it takes for certification. Prior to the RFA program, foster and adoptive parents were certified separately under different program requirements. Until the foster and adoptive parents are certified as meeting certain threshold requirements under the RFA program, the County pays for the foster care placement. The department began implementation of the RFA program in FY 2013-14, and it will be implemented statewide in the coming years. Third, there are a small number of high needs foster care children placed out-of-state, and these costs are borne by the County.

Despite these increased expenditures, the department will be able to cover these costs with a combination of excess realignment revenue and other unanticipated revenue. As a result, there is not a General Fund impact expected.

Department: Golf Courses
Fund Center(s): 427
Issue: Decrease in rounds played at Dairy Creek
Impact to General Fund: \$0

As an Enterprise Fund, Golf relies on the revenues generated by the County's three golf courses (Dairy Creek, Chalk Mountain, and Morro Bay) to fund its operational and capital expenses. The number of rounds played is a key indicator of Golf's fiscal health and

outlook.

In the First and Second Financial Status Quarter Reports, Golf reported a decline in rounds played, and this decline has continued into the third quarter. Through the end of the third quarter, the total number of rounds played has decreased 7% (6,054 rounds) compared to the third quarter of FY 2013-14. The decrease is due, in part, to dry conditions at Dairy Creek Golf Course. Rounds at Dairy Creek have decreased by 34% compared to the third quarter of FY 2013-14, as a result of drought conditions, as well as a decline in the amount of effluent water that is transferred from California Men's Colony (CMC) to Dairy Creek. The decrease in effluent water from CMC is a result of a decreased prison population, as well as water conservation measures at the facility.

In addition to the water shortage, the concessionaire at Dairy Creek filed bankruptcy at the end of September 2014, ceasing to provide concession services at the course, including food and beverage service, reservations, golf cart rentals, and operation of the pro shop. In an effort to mitigate the impacts to Golf's customers and revenues, County Golf staff is now running the course on a temporary basis until a new concessionaire can be identified. Staff is continuing to work with concession partners to incentivize play at County courses by utilizing promotional offers to golfers. Golf is also currently studying options for how to manage the Dairy Creek Golf Course in the longer term due to the water shortage and decrease in rounds played.

Although golf rounds are down, Golf is still projecting that revenues will exceed expenditures. When the current year budget was formulated, Golf projected that revenues would exceed expenditures by \$59,596 at year end. It is now expected that Golf revenues will exceed expenditures by \$255,648 at year end due primarily to an unbudgeted \$296,265 rent credit from the State as a result of the Cayucos Pier improvements, an increase in revenue from charges for current services (greens fees, concession income, and golf surcharges) in the amount of \$174,920 or 7% more than budgeted, and a projected variance of \$745,147 below budgeted expenditures for the Morro Bay Waterline project. Staff will continue to monitor Golf's budget closely and will provide updates in future quarterly reports.

Department: Public Defender
Fund Center(s): 135
Issue: Unbudgeted expenditures
Impact to General Fund: \$250,000

At the end of the third quarter, the Public Defender budget is projected to exceed its budgeted level of expenditures by approximately \$250,000. This is due in large part to

the impact of complex cases, including murder cases and a major financial fraud case. As in past years, expenditures for extraordinary cases have not been included in the adopted budget. A budget adjustment in the amount of \$250,000 is requested from General Fund contingencies to offset these costs. Any unspent General Fund expense appropriation available at the end of the year will be carried over into the following fiscal year.

Department: Parks
Fund Center(s): 305
Issue: Update on Camp French
Impact to General Fund: \$0

On May 1, 2014, the County assumed responsibility for Camp Mabel French, a 100 acre group camp facility, in the Lopez Lake Recreation Area, formerly run by the Boy Scouts of America. Operation of Camp French

is projected to bring in additional revenue since Camp French will add seven campsites, as well as rental facilities for events such as weddings, corporate team building, and festivals.

On March 11, 2014, the Board approved use of \$51,000 of Lopez Lake Project Reserves for various campground and Americans with Disabilities Act (ADA) upgrades, including improvements to existing restroom and shower buildings, an access road and other smaller infrastructure work. These improvements, which are intended to make Camp French operational by County Parks' standards, began in May of 2014 and are planned for completion this summer.

At the time that the County took responsibility for Camp French, it was expected that total operational costs would be \$22,650 in the initial year (not including the \$51,000 in infrastructure costs) and that the revenue generated by the Camp would be \$94,101, for a profit of \$71,451 in the first year of County operation. For the period of May 1, 2014 through March 30, 2015, operational costs were \$7,000 and the total revenue received was \$26,569, for a profit of \$19,569. Staff used the off-season to complete the planned improvements previously mentioned, and anticipate that revenue will increase in FY 2015-16 as improvements continue and the camping and wedding season begin.

Department: Airports
Fund Center: 425
Issue: Budget status and enplanement levels
Potential Impact to General Fund: \$0

As an Enterprise Fund, Airports relies on the revenues generated by the San Luis Obispo County Regional Airport and Oceano Airport to fund operational and capital expenses.

Revenue from passenger enplanements on commercial air carriers is a key indicator of the Airports' fiscal health and outlook. Quarterly Financial Status Reports include a regular update on the status of the Airports' budget with emphasis on the number of passenger enplanements.

Changes to air carrier service that began in 2007 with rising fuel prices were exacerbated by the great recession of 2008. Many airports, including the San Luis Obispo County Regional Airport, experienced reductions in the number of commercial flights and an overall decline in enplanements. Since that time, the annual expenditures for Airports' operations have largely exceeded the amount of annual revenues received by the Airports, with the exception of FY 2012-13 and FY 2013-14, when revenue exceeded operational expenditures by \$139,000 and \$439,256 respectively. As of the end of the third quarter, Airports is projected to end FY 2014-15 with revenue in excess of expense totaling approximately \$163,000.

In difficult years, Airports relied on its cash balance in the Airport Fund to cover expenses. Fortunately, the fiscal condition at the Airport is improving as general economic conditions improve. After several years of decreased enplanements, enplanements increased 11% in FY 2013-14 and continue to increase in FY 2014-15. As a result, revenues are projected to be sufficient to cover budgeted expenditures in FY 2015-16 without the need to fall back on Airports' cash balance.

The following table shows enplanement numbers from FY 2007-08 to present, along with annual percentage change in enplanements:

Fiscal Year	Q1	Q2	Q3	Q4	Cumulative	% Change
2007-08	51,343	48,784	38,794	43,364	182,285	
2008-09	42,697	32,566	26,866	30,619	132,748	-27%
2009-10	32,968	30,873	27,645	33,666	125,152	-6%
2010-11	36,301	36,128	30,496	36,984	139,909	11%
2011-12	35,631	34,493	30,185	33,935	134,244	-4%
2012-13	35,457	31,850	30,354	34,654	132,315	-1%
2013-14	36,753	36,224	34,528	39,600	147,105	11.2%
2014-15	40,345	38,356	35,567		114,268	6.3%*

*Compares the third quarter of FY 2014-15 to the third quarter of FY 2013-14.

The number of commercial air service passenger enplanements is a major driver of Airports revenues. As of the end of the third quarter of FY 2014-15, enplanement levels at the San Luis Obispo County Regional Airport had increased by 6,763 or 6.3% compared to the same period in FY 2013-14. The Airport has worked with the community to develop a revenue guarantee program to encourage United Airlines to offer a flight to Denver. No flights have been added at this time, but the Airport continues to pursue opportunities to attract additional flights from United and other airlines.

Section 2: Status of Funds, Contingencies and Reserves

I. GENERAL:

The Auditor-Controller-Treasurer-Tax Collector-Public Administrator has prepared the following Schedules that are attached following this narrative.

Schedule 1: Comparative Statement of County Funds - Revenue Status

Schedule 2: Comparative Statement of Contingencies and Reserves

Schedule 3: Revenues and Expenditures by Functional Area

Schedules 1 and 2 are the focus of the following discussion. Generally, comments are limited to material deviations from the prior year or from what would appear to be normal performance.

II. SCHEDULE 1: Comparative Statement of County Funds - Revenue Status

A. Summary

Total budgeted revenues for all funds are \$599.9 million. At the end of the third quarter \$331.7 million or 55% of estimated revenues were realized, compared to 58% in the prior year. Taxes and government aid do not follow even monthly flows.

B. Specific Comments - Revenue Status by Type

Taxes-Current Property: Collections of property tax revenue were 73% at the end of the third quarter compared to the prior year's realization rate of 71%.

Taxes- Other than Current Property: At the end of the third quarter 69% of estimated revenue was realized, comparable to 72% in the prior year. Included in this revenue classification are Transient Occupancy Tax (Bed Tax), Property Transfer Tax, Property Tax In-Lieu of Sales Tax and Property Taxes In-Lieu of Vehicle License Fees. Sales Tax collections are \$440,000 less than prior year. This is due to the winding down of large solar plant construction projects in California Valley. Transient Occupancy Tax, Property Transfer Tax, and Tax Loss Reserve Fund revenues all show increases reflecting the recovery of the general economy.

Licenses and Permits: The amount realized is 79% of budget compared with a realization rate of 70% in the prior year. Revenue sources in this class include Franchise Fees, Plan Check Fees, Building Permits, and Land Use Permits. Plan Check Fees decreased by \$517,000 compared to the same period in FY 2013-14. This is also due to the decreased activity of the solar plant construction projects. Collection of Franchise Fees increased by \$1.4 million

over prior year; this is mainly a timing issue, Gas/Electric Franchise Fees were not collected until the fourth quarter in the prior year.

Fines, Forfeitures and Penalties: The amount realized is 58% comparable to last year's realization rate of 60%. The revenues in this classification are mainly the County share of penalties and fines collected by the Courts.

Revenue – Money and Property Use: Realized revenue in this class is 100% compared to the 120% realization rate in the prior year. Total interest revenue earned by the General Fund was \$96,892 compared to \$58,430 in the same quarter of the prior year. The average rate of return during the third quarter was .3622% compared to .2190% in the prior year. The difference in the overall percentage is due to a new interest revenue account in the current year that is showing only a 56% realization rate compared to a large budgeted amount of \$1,300,000. The County prefunded the annual Pension contribution and will recognize the entire interest amount by the end of the fiscal year.

Aid from Government Agencies: The amount realized is 45%, compared to 48% for the prior year. Aid from government agencies does not follow even monthly revenue flows but catches up in the third and fourth quarters. There are a number of variances from the prior year including the timing of transfers and accrual reversals.

Charges for Current Services: The amount realized is 65%, compared to 63% in the prior year.

Other Revenues: The amount realized is 55%, compared to 53% realized in the prior year.

Other Financing Sources: The amount realized as of the third quarter was 57% compared to 57% in the prior year. This class is comprised of Operating Transfers between funds. The largest item in this class is Transfers From General Fund. Out of a total budgeted amount of \$28 million in this class for the current year, General Fund Transfers accounts for \$24.4 million and 72% of that has been recognized in the current year compared to 78% in the prior year. Transfers for capital projects are included in this category and are recognized as projects progress. Most of those Transfers In are received from the General Government Replacement Fund, the Automation Replacement Fund, the Roads Improvement Fund and the Public Facilities Fees Fund. Most of the transfers from those funds have not yet been made

C. Specific Comments - Revenue by Fund

General Fund: The General Fund realized 60% of estimated revenue as of the end of the third quarter, compared to 60% in the prior year.

Capital Projects Fund: This fund recognized 16% of revenues through the third quarter compared to 34% in the prior year. This is mainly a timing issue as revenue is recognized as projects progress. There was a large onetime transfer

in from the General Fund in the amount of \$2.6 million in the prior year for the construction of the new Juvenile Hall and the Women's Jail.

Community Development Program Fund: This fund's revenue through the third quarter was 31% in the current year to date compared to 43% in the prior year. This is a timing issue; Government Aid revenue is recognized as sub recipients submit claims.

Public Facility Fees: The Public Facility Fee Fund realized 102% of budgeted revenue in the current fiscal year, compared to 184% in the prior year. Budgeted amounts were higher for this fiscal year due to expected growth in single family residential building permits.

Countywide Automation Replacement Fund: This fund's revenue through the third quarter is 63% in the current year to date compared to 37% in the prior year. The difference from the prior year is one of timing as this revenue is realized as projects are completed.

General Government Building Replacement Fund: This fund's revenue through the third quarter is 89% in the current year to date compared to 77% in the prior year. The difference from the prior year is one of timing as this revenue is realized as projects are completed.

Impact Fees-Traffic: This fund's revenue through the third quarter is 95% in the current year to date compared to 42% in the prior year. Budgeted revenues in the current year are one third of the budgeted amount in the prior year, but amounts realized in the two years were comparable, resulting in a skewed realization percentage.

SCHEDULE 2: Comparative Statement of Contingencies and Reserves

A. Contingencies

General Fund: General Fund contingencies were \$18,277,735 at the end of the third quarter. In the third quarter, General Fund contingencies were decreased by \$250,000. This amount was transferred to FC 102 - Other Financing Use for a line of credit issued to Cayucos Fire Protection District.

Community Development Fund: Contingencies in this fund were decreased by \$21,048. Of this amount, \$15,000 will be used for homeless enumeration and \$6,048 for Rapid Re-Housing and Homeless Prevention programs.

No other changes were made to contingency balances during the quarter.

B. General Reserves

The Government Code provides that General Reserves may not be used during the operating year unless the Board of Supervisors deems that there is a state of emergency. Since no emergency has existed to date, all balances of reserves are as adopted.

C. Designations and Other Reserves

The Board of Supervisors may choose to designate portions of available funding for a specific future purpose. Such designations reflect tentative plans, which are subject to change. It is this flexibility that distinguishes designations from reserves.

Parks Fund: \$332,000 was transferred from the Parks Projects Designations to fund: 1) \$62,000 for repairs to the Rios Caledonia Adobe. 2) \$125,000 to replace a boat dock at Santa Margarita Lake and 3) \$145,000 to renovate the tennis courts and fencing at Los Osos Community Park.

General Government Building Replacement Fund: \$536,000 was transferred from the General Government Building Designation to fund additional office space for the Health Agency staff at the Health Campus on Johnson Drive in San Luis Obispo.

III. Schedule of Appropriation Transfers under the Auditor's Authority

By resolution, the Board of Supervisors authorized the Auditor to approve appropriation transfers between all object levels within the same fund center. The resolution also directed that such transfers be reported to the Board on a quarterly basis.

There were no transfers under the Auditor's Authority during the third quarter.

COMPARATIVE STATEMENT OF COUNTY FUNDS- REVENUE STATUS
For the Nine Month Period Ended March 31, 2015 and 2014

Revenue Status by Class	2014-15 Amount Budgeted	Amount Realized 03/31/15	%	2013-14 Amount Budgeted	Amount Realized 03/31/14	%
TAXES - CURRENT PROPERTY	\$ 108,045,639	\$ 78,552,198	73 %	\$ 104,544,117	\$ 74,507,174	71 %
TAXES - OTHER THAN CURRENT PROPERTY	51,840,930	35,814,243	69 %	51,020,528	36,842,611	72 %
LICENSES AND PERMITS	9,350,258	7,431,681	79 %	9,641,212	6,740,600	70 %
FINES, FORFEITURES AND PENALTIES	5,737,940	3,351,364	58 %	8,660,953	5,223,040	60 %
REVENUE - MONEY AND PROPERTY USE	1,854,082	1,861,580**	100 %	772,833	929,667	120 %
AID FROM GOVERNMENT AGENCIES	311,103,176	139,227,229	45 %	250,706,731	121,523,780	48 %
CHARGES FOR CURRENT SERVICES	30,720,087	19,918,286	65 %	29,661,064	18,656,925	63 %
OTHER REVENUES	31,147,067	17,118,404	55 %	38,823,873	20,480,915	53 %
OTHER FINANCING SOURCES	50,101,455	28,412,155	57 %	35,565,785	20,413,649	57 %
TOTAL REVENUES	<u>\$ 599,900,634</u>	<u>\$ 331,687,140</u>	<u>55 %</u>	<u>\$ 529,397,096</u>	<u>\$ 305,318,361</u>	<u>58 %</u>

Revenue Status by Fund	2014-15 Amount Budgeted	Amount Realized 03/31/15	%	2013-14 Amount Budgeted	Amount Realized 03/31/14	%
1000000000 General Fund	\$ 421,341,460	\$ 254,420,399**	60 %	\$ 400,630,677	\$ 238,883,497	60 %
1100000000 Capital Projects	58,539,741	9,358,193**	16 %	20,683,056	7,062,776	34 %
1200000000 Road Fund	53,012,963	22,165,807	42 %	41,256,104	17,028,286	41 %
1200500000 Community Devel Pgm	9,087,457	2,796,360	31 %	10,148,185	4,337,746	43 %
1201000000 Public Facility Fees	1,468,500	1,502,117	102 %	864,500	1,590,912	184 %
1201500000 Parks	11,633,588	8,137,044	70 %	8,934,883	6,027,477	67 %
1202000000 Co-Wide Automation Replacement	6,700,770	4,206,055	63 %	6,457,018	2,362,639	37 %
1202500000 Gen Gov Building Replacement	5,850,498	5,195,326	89 %	5,814,324	4,504,101	77 %
1203000000 Tax Reduction Resrv	4,550,000	3,736,413	82 %	1,399,033	1,063,442	76 %
1203500000 Impact Fee-Traffic	853,800	811,612	95 %	2,616,312	1,100,169	42 %
1204000000 Wildlife And Grazing	3,500	3,700	106 %	3,500	14	0 %
1204500000 Driving Under the Influence	1,483,649	993,922	67 %	1,402,463	1,029,849	73 %
1205000000 Library	8,941,278	6,870,160	77 %	10,710,597	8,024,354	75 %
1205500000 Fish And Game	20,000	10,100	51 %	20,000	20,680	103 %
1206000000 Organizational Development	904,000	741,184	82 %	459,700	341,165	74 %
1206500000 Medically Indigent Services Progra	2,531,938	1,340,581	53 %	5,102,096	2,670,606	52 %
1207000000 Emergency Med Svcs	801,000	557,931	70 %	801,000	445,446	56 %
1208000000 Debt Service-Cert of Participation	2,080,047	1,398,984	67 %	2,079,022	1,699,561	82 %
1801000000 Pension Obligation Bond DSF	10,096,445	7,441,252	74 %	10,014,626	7,125,641	71 %
TOTAL REVENUES	<u>\$ 599,900,634</u>	<u>\$ 331,687,140</u>	<u>55 %</u>	<u>\$ 529,397,096</u>	<u>\$ 305,318,361</u>	<u>58 %</u>

Includes third quarter interest revenue	General Fund	\$ 96,892
	Capital Projects Fund	\$ 21,752
		<u>\$118,644</u>

COMPARATIVE STATEMENT OF CONTINGENCIES AND RESERVES
By Fund as of March 31, 2015

Contingencies	2013-14 Final Budget	2014-15 Final Budget	As of 03/31/15	2014-15 Increase (Decrease)
General Fund	\$ 15,551,002	\$ 19,111,875	\$ 18,277,735	\$ (834,140)
Community Devel Pgm	37,167	44,840	23,792	(21,048)
Parks	550,113	510,711	510,711	0
Driving Under the Influence	123,502	40,000	40,000	0
Library	424,297	452,750	452,750	0
TOTAL CONTINGENCIES	\$ 16,686,081	\$ 20,160,176	\$ 19,304,988	\$ (855,188)
Designations and Other Reserves	2013-14 Final Budget	2014-15 Final Budget	As of 03/31/15	2014-15 Increase (Decrease)
General Fund				
Co. Fire Equip. Replace	\$ 113,765	\$ 154,383	\$ 154,383	\$ 0
Designated FB-2020 POB	7,188,657	8,688,657	8,688,657	0
General Reserve	9,000,000	9,000,000	9,000,000	0
Internal Financing	3,918,103	4,163,459	1,733,669	(2,429,789)
Prop 172 Solar	0	0	4,270,609	4,270,609
Solar Plant Mitigation	8,078,258	11,851,427	11,851,427	0
Willow Rd Interchange	967	0	0	0
Capital Projects				
Detention Facilities	4,864,343	0	0	0
Facilities Planning	8,946,716	8,042,704	7,513,204	(529,500)
Juvenile Hall Bldg	1,361,600	326,496	0	(326,496)
New Govt Buildin Rep	0	1,986,400	1,986,400	0
Solar/Energy Projects	1,199,787	1,199,787	1,199,787	0
Road Fund				
Future Road Projects	3,428,693	6,137,475	6,137,475	0
Maria Vista Estates	641,299	641,299	641,299	0
N. River Mine Reserve	83,000	83,000	83,000	0
Public Facility Fees				
Reserve for County Fire	1,764,911	2,827,101	2,827,101	0
Reserve for General Gov't	216,148	465,828	465,828	0
Reserve for Law Enforcmnt	793,299	981,908	981,908	0
Reserve for Library	110,804	185,587	185,587	0
Reserve for Parks	2,798,990	2,026,268	746,068	(1,280,200)
Parks				
Lopez Park's Projects	250,000	270,500	270,500	0
Parks Projects	1,441,587	630,849	298,849	(332,000)
Co-Wide Automation Replacement				
Automation Replacement	10,840,251	12,539,676	12,539,676	0
Budget System Developm	770,274	770,274	770,274	0
Gen Gov Building Replacement				
Gov. Building Rpl	18,687,751	25,088,123	22,507,571	(2,580,552)
Library - Cambria	501,876	675,893	675,893	0

COMPARATIVE STATEMENT OF CONTINGENCIES AND RESERVES
By Fund as of March 31, 2015

Tax Reduction Resrv				
Desig-Prop Tax Litigation	797,952	797,952	797,952	0
Tax Reduction Reserves	12,839,606	17,418,645	17,418,645	0
Impact Fee-Traffic				
Improvement Fees	4,865,812	4,578,109	4,453,109	(125,000)
Wildlife And Grazing				
General Reserve	377	2,684	2,684	0
Wildlife Projects	14,907	14,907	14,907	0
Driving Under the Influence				
General Reserve	194,859	137,609	137,609	0
Systems Development	419,265	398,346	398,346	0
Library				
Atascadero Building Expan	105,131	94,611	77,443	(17,168)
Facilities Planning	777,510	901,791	1,318,575	416,784

General Reserve	49,690	49,690	49,690	0
Lib-Cambria	0	0	311,896	311,896
Fish And Game				
Environmental Settlemt	23,142	28,142	28,142	0
Fish and Game Projects	105,851	116,619	116,619	0
General Reserve	54,583	54,583	54,583	0
Organizational Development				
Countywide Training	1,479,776	1,729,776	1,729,776	0
General Reserve	565,946	496,042	496,042	0
Debt Service-Cert of Participation				
Loan Payment Reserve	16,373	16,383	83	(16,300)
Pension Obligation Bond DSF				
Desig - POB Debt Service	8,207,937	8,898,224	8,898,224	0
TOTAL DESIGNATIONS AND RESERVES	<u>\$ 117,519,796</u>	<u>\$ 134,471,207</u>	<u>\$ 131,833,490</u>	<u>\$ (2,637,716)</u>

REVENUES AND EXPENDITURES BY FUNCTIONAL AREA
For the Nine Month Period Ended March 31, 2015

Budget Units by Functional Area	2014-15 Budgeted Expenditures	Amount Expended 03/31/15	%	2014-15 Budgeted Revenues	Amount Realized 03/31/15	%
General Government						
100 BOARD OF SUPERVISORS	\$ 1,633,935	\$ 1,167,665	71 %	\$ 0	\$ 0	0 %
101 NON-DEPARTMENTAL REVENUES	5	0	0 %	161,155,543	115,680,294	72 %
103 NON-DEPT OTHER EXPENDITURES	389,500	302,365	78 %	71,000	18,000	25 %
104 ADMINISTRATIVE OFFICE	1,887,594	1,172,325	62 %	136,165	24,424	18 %
105 RISK MANAGEMENT	1,636,489	1,277,139	78 %	1,010,640	320,701	32 %
107 AUDITOR-CONTROLLER	5,217,666	3,551,832	68 %	1,038,274	563,041	54 %
108 TREAS-TAX COLL-PUBLIC ADM	2,994,652	1,952,394	65 %	1,255,246	785,825	63 %
109 ASSESSOR	9,692,325	6,215,377	64 %	612,785	159,921	26 %
110 CLERK/RECORDER	3,206,210	2,261,535	71 %	2,785,611	2,024,135	73 %
111 COUNTY COUNSEL	3,748,868	2,438,797	65 %	234,700	157,227	67 %
112 HUMAN RESOURCES	2,956,517	1,907,374	65 %	262,321	154,510	59 %
113 GENERAL SERVICES	9,874,402	7,132,172	72 %	3,624,180	2,430,087	67 %
114 INFORMATION TECHNOLOGY DEPARTMENT	10,975,623	7,442,095	68 %	1,750,814	1,098,920	63 %
201 PUBLIC WORKS SPECIAL SERVICES	2,766,768	1,340,564	48 %	1,248,413	576,423	46 %
266 COUNTYWIDE AUTOMATION REPLACEMENT	7,820,768	3,384,963	43 %	6,700,770	4,206,055	63 %
267 GEN GOVT BUILDING REPLACEMENT	2,256,157	86,611	4 %	5,850,498	5,195,326	89 %
268 TAX REDUCTION RESERVE	349,656	0	0 %	4,550,000	3,736,413	82 %
275 ORGANIZATIONAL DEVELOPMENT	903,154	421,328	47 %	904,000	741,184	82 %
290 COMMUNITY DEVELOPMENT PROGRAM	9,108,505	2,776,468	30 %	9,087,457	2,796,360	31 %
TOTAL General Government	\$ 77,418,794	\$ 44,831,004	58 %	\$ 202,278,417	\$ 140,668,846	70 %
Public Protection						
130 WASTE MANAGEMNT	\$ 966,310	\$ 394,717	41 %	\$ 26,036	\$ 27,532	106 %
131 GRAND JURY	139,093	85,988	62 %	0	0	0 %
132 DISTRICT ATTORNEY	14,877,979	10,155,373	68 %	5,927,875	3,109,943	52 %
134 CHILD SUPPORT SERVICES	4,594,427	3,181,999	69 %	4,594,427	2,841,532	62 %
135 PUBLIC DEFENDER	5,843,764	4,535,433	78 %	574,010	90,751	16 %
136 SHERIFF-CORONER	66,377,275	46,760,613	70 %	28,165,495	17,005,561	60 %
137 ANIMAL SERVICES	2,596,979	1,661,949	64 %	1,874,178	1,444,887	77 %
138 EMERGENCY SERVICES	1,722,325	796,665	46 %	1,547,598	706,536	46 %
139 PROBATION DEPARTMENT	20,136,353	13,568,090	67 %	10,926,241	6,244,613	57 %
140 COUNTY FIRE	21,742,089	13,125,330	60 %	6,442,811	4,247,806	66 %
141 AGRICULTURAL COMMISSIONER	5,381,730	3,848,004	72 %	3,263,308	873,727	27 %
142 PLANNING & BUILDING DEPARTMENT	14,659,324	9,108,316	62 %	7,590,385	5,675,448	75 %
143 COURT OPERATIONS	2,426,973	1,903,586	78 %	2,880,959	2,120,641	74 %
330 WILDLIFE AND GRAZING	3,500	0	0 %	3,500	3,700	106 %
331 FISH AND GAME	20,000	13,124	66 %	20,000	10,100	51 %
TOTAL Public Protection	\$ 161,488,121	\$ 109,139,187	68 %	\$ 73,836,823	\$ 44,402,777	60 %
Public Ways & Facilities						
245 ROADS	\$ 57,241,030	\$ 19,835,865	35 %	\$ 53,012,963	\$ 22,165,807	42 %
247 PUBLIC FACILITIES FEES	7,271,733	1,574,258	22 %	1,468,500	1,502,117	102 %
248 ROADS - IMPACT FEES	3,552,207	368,152	10 %	853,800	811,612	95 %
TOTAL Public Ways & Facilities	\$ 68,064,970	\$ 21,778,275	32 %	\$ 55,335,263	\$ 24,479,536	44 %

REVENUES AND EXPENDITURES BY FUNCTIONAL AREA
For the Nine Month Period Ended March 31, 2015

Budget Units by Functional Area	2014-15 Budgeted Expenditures	Amount Expended 03/31/15	%	2014-15 Budgeted Revenues	Amount Realized 03/31/15	%
Health & Sanitation						
160 PUBLIC HEALTH	\$ 25,814,562	\$ 13,883,532	54 %	\$ 21,347,307	\$ 9,762,014	46 %
166 BEHAVIORAL HEALTH	55,943,278	37,391,148	67 %	48,654,284	23,767,772	49 %
TOTAL Health & Sanitation	<u>\$ 81,757,840</u>	<u>\$ 51,274,680</u>	<u>63 %</u>	<u>\$ 70,001,591</u>	<u>\$ 33,529,786</u>	<u>48 %</u>
Public Assistance						
106 CONTRIBUTIONS TO OTHER AGENCIES	\$ 1,704,112	\$ 1,660,218	97 %	\$ 399,910	\$ 40,660	10 %
180 SOCIAL SERVICES ADMINISTRATION	68,082,068	45,957,905	68 %	62,988,834	28,681,529	46 %
181 FOSTER CARE-SOCIAL SERVICES	21,646,210	15,840,191	73 %	21,087,452	13,688,880	65 %
182 CALWORKS	12,351,556	8,761,097	71 %	12,020,308	7,623,979	63 %
184 LAW ENFORCEMENT MED CARE	2,772,200	1,928,909	70 %	1,242,351	686,287	55 %
185 GENERAL ASSISTANCE	1,165,593	780,355	67 %	477,447	175,973	37 %
186 VETERANS SERVICES	1,134,048	695,904	61 %	215,379	146,929	68 %
350 Medically Indigent Services Program	3,564,681	1,491,554	42 %	2,531,938	1,340,581	53 %
351 EMERGENCY MEDICAL SRVS FUND	1,102,052	586,458	53 %	801,000	557,931	70 %
TOTAL Public Assistance	<u>\$ 113,522,520</u>	<u>\$ 77,702,591</u>	<u>68 %</u>	<u>\$ 101,764,619</u>	<u>\$ 52,942,749</u>	<u>52 %</u>
Education						
215 FARM ADVISOR	\$ 476,051	\$ 331,270	70 %	\$ 5,850	\$ 3,235	55 %
375 DRIVING UNDER THE INFLUENCE	1,597,045	1,090,904	68 %	1,483,649	993,922	67 %
377 LIBRARY	9,661,467	6,661,264	69 %	8,941,278	6,870,160	77 %
TOTAL Education	<u>\$ 11,734,563</u>	<u>\$ 8,083,438</u>	<u>69 %</u>	<u>\$ 10,430,777</u>	<u>\$ 7,867,317</u>	<u>75 %</u>
Recreation & Cultural Services						
305 PARKS and RECREATION	\$ 13,434,653	\$ 7,081,427	53 %	\$ 11,633,588	\$ 8,137,044	70 %
TOTAL Recreation & Cultural Services	<u>\$ 13,434,653</u>	<u>\$ 7,081,427</u>	<u>53 %</u>	<u>\$ 11,633,588</u>	<u>\$ 8,137,044</u>	<u>70 %</u>
Debt Service						
277 DEBT SERVICE	\$ 2,096,347	\$ 1,410,207	67 %	\$ 2,080,047	\$ 1,398,984	67 %
392 PENSION OBLIGATION BOND DSF	9,206,318	7,181,458	78 %	10,096,445	7,441,252	74 %
TOTAL Debt Service	<u>\$ 11,302,665</u>	<u>\$ 8,591,665</u>	<u>76 %</u>	<u>\$ 12,176,492</u>	<u>\$ 8,840,236</u>	<u>73 %</u>
Financing Uses						
102 NON-DEPTL-OTHR FINCNG USE	\$ 30,601,143	\$ 21,329,719	70 %	\$ 1,489,790	\$ 1,211,384	81 %
TOTAL Financing Uses	<u>\$ 30,601,143</u>	<u>\$ 21,329,719</u>	<u>70 %</u>	<u>\$ 1,489,790</u>	<u>\$ 1,211,384</u>	<u>81 %</u>
CAPITAL PROJECTS						
200 MAINTENANCE PROJECTS	\$ 9,234,309	\$ 2,038,673	22 %	\$ 2,413,533	\$ 152,380	6 %
230 CAPITAL PROJECTS FUND	72,834,724	10,152,595	14 %	58,539,741	9,336,441	16 %
TOTAL CAPITAL PROJECTS	<u>\$ 82,069,033</u>	<u>\$ 12,191,268</u>	<u>15 %</u>	<u>\$ 60,953,274</u>	<u>\$ 9,488,821</u>	<u>16 %</u>
COUNTY TOTAL	<u>\$ 651,394,302</u>	<u>\$ 362,003,254</u>	<u>56 %</u>	<u>\$ 599,900,634</u>	<u>\$ 331,568,496</u>	<u>55 %</u>
GENERAL FUND TOTAL	<u>\$ 449,370,305</u>	<u>\$ 297,886,618</u>	<u>66 %</u>	<u>\$ 421,341,460</u>	<u>\$ 254,323,507</u>	<u>60 %</u>

Section 3: Position Changes

During the third quarter, January 1, 2015 through March 31, 2015, the following reclassification/reorganization changes were approved by the Board of Supervisors. This report also includes a list of all administrative changes approved by the Human Resources Director under the authority of the BOS, and the current vacancy statistics.

POSITION ALLOCATION CHANGES MADE BY THE BOARD OF SUPERVISORS:

Fund Center 136 – Sheriff-Coroner - Allocation Change Approved 1/27/15

Add 1.00 FTE – 08906 Departmental Automation Specialist I, II, or III

Fund Center 166 – Behavioral Health - Allocation Changes Approved 1/27/15

Add 0.50 FTE – 02203 Administrative Assistant Series – ½ time – Limited Term

Add 1.00 FTE – 08526 Mental Health Therapist Series – Limited Term

Add 1.00 FTE – 08621 Drug & Alcohol Services Specialist I or II – Limited Term

Fund Center 180 – Social Services - Allocation Changes Approved 2/10/15

Add 9.00 FTE – 01519 Social Worker Series

Add 1.00 FTE – 02203 Administrative Assistant Series

Add 0.75 FTE – 01560 Personal Care Aide - 3/4 time

Add 1.00 FTE – 00907 Accountant I, II, or III

Delete 1.00 FTE – 08892 Administrative Services Officer I or II

Fund Center 132 – District Attorney – Allocation Changes Approved 2/24/15

Add 1.00 FTE – 02230 Administrative Assistant/Legal Clerk Series

Delete 1.00 FTE – 01519 Social Worker Series

Fund Center 112 – Human Resources - Allocation Change Approved 3/17/15

Add 1.00 FTE – 08892 Administrative Services Officer I or II

Delete 1.00 FTE – 00938 Supervising Admin Clerk I – Confidential

Fund Center 132 – District Attorney – Allocation Changes Approved 3/24/15

Add 1.00 FTE – 02230 Administrative Assistant/Legal Clerk Series

SUMMARY OF POSITION ALLOCATION CHANGES

FY 2014-15	Q1	Q2	Q3
Quarter Start	2,554.75	2,557.25	2,564.00
FTE Additions	22.50	24.50	18.25
FTE Deletions	20.00	17.75	3.00
Quarter End	2,557.25	2,564.00	2,579.25
Net Change	+2.50	+6.75	+15.25
% Change	.1%	.3%	.59%

Note: Upon audit of the previously reported position allocation summary, the Human Resources Department found the following discrepancies:

- In the First Quarter Financial Report, a position allocation was not reported.
- In the Second Quarter Financial Report, a position allocation was not deleted when it was replaced by a newly formed classification.

The position allocation summary stated above is now corrected to reflect these clerical oversights.

ADMINISTRATIVE CHANGES MADE HUMAN RESOURCES:

Fund Center 180 – Social Services February 12, 2015

<u>Job</u>	<u>Class Title</u>	<u>From</u>	<u>To</u>
01560	Personal Care Aide - 3/4 time	4.00	0.00
01560	Personal Care Aide	1.00	4.00

Fund Center 114 – Information Technology March 25, 2015

<u>Job</u>	<u>Class Title</u>	<u>From</u>	<u>To</u>
00970	Computer Systems Technician Aide – Confidential		
00987	or Computer Systems Technician I – Confidential		
00988	or Computer Systems Technician II – Confidential		
01989	or Computer Systems Technician III – Confidential	3.00	2.00

<u>Job</u>	<u>Class Title</u>	<u>From</u>	<u>To</u>
08967	Computer Systems Technician Aide		
08968	or Computer Systems Technician I	1.00	1.00
08969	or Computer Systems Technician II		
08970	or Computer Systems Technician III	0.00	1.00

EMPLOYEE VACANCY RATE

The County employee vacancy rate on March 31, 2015 was 5.483%. This equates to 141.50 vacant positions.

Section 4: Miscellaneous Financial Issues

Acceptance of Donated Gift Funds:

Donations made by individuals and community organizations are accepted by the County and appropriated into the proper departmental budgets on an as needed basis. These donations are used to enhance programs and meet special needs throughout the county. It is recommended that the Board accept donations totaling \$289,127.76 on behalf of the following County departments, as noted below:

1. Accept gift funds in the amount of \$314.75 and approve a budget adjustment to move the funds from the Social Services Gift Trust Fund to the FC 180 – Social Services Administration operating budget;
2. Accept cash donations in the amount of \$205,103.50 made to FC 305 – Parks;
3. Accept cash donations in the amount of \$52,160.02 and authorize an associated budget adjustment from the Library's Gift Trust Fund to FC 377 – Library operating budget;
4. Accept cash donations in the amount of \$6,146.83 on behalf of FC 137 – Animal Services;
5. Accept cash donations in the amount of \$21,230.00 made to FC 186 – Veterans Services Outreach fund;
6. Accept a cash donation in the amount of \$3,172.66 made to FC 132 – District Attorney from the City of San Luis Obispo Police Officers' Association for deposit into the Cindy Soto-Pinto Victim Emergency Fund; and
7. Accept gift funds in the amount of \$1,000.00 on behalf of FC 425 – Airports related to Airport Day Sponsorships.

Memos from the departments are included in Attachment 2.

Relief from Accountability:

Requests for relief from accountability are presented to the Board in accordance with Government Code requirements. The action relieves the Department of Social Services from active pursuit of receivables totaling \$12,359.50 for the CalWORKs, CalFresh and General Assistance programs, but does not release the responsible parties from the debt owed. Requests to discharge bad debt are only submitted to the Board for action after an extensive investigation has taken place and the department has reached the conclusion that the debt will not be collected. If a department's collection efforts are unsuccessful, cases are often turned over to the County's contract collection agency.

A memo from the department is included in Attachment 3.

Miscellaneous Budget Adjustments:

In addition to the items listed above, the Board is asked to approve the following budget adjustments:

1. Approve a budget adjustment in the amount of \$23,903 in FC 425 - Airports to increase the budget for the Oceano Layout Plan project to match the actual grant amount received from the Federal Aviation Administration;
2. Approve a budget adjustment in the amount of \$1,978,806 to reallocate capital project savings to projects currently in design or construction in FC 245 – Roads;
3. Approve a budget adjustment in the amount of \$169,646 using Library Public Facility Fees to make the annual loan payment for the Cambria Library project, and increase the Designated Fund Balance – Library in the General Government Building Replacement Fund by a corresponding amount;
4. Approve a budget adjustment in the amount of \$370,000 to transfer funds between FC 245 – Road Fund Pavement Management Program and Fund Center 248 – Road Impact Fund for the debt service payment for the Vineyard Drive interchange project;
5. Approve a budget adjustment in the amount of \$162,835 from Public Safety Realignment (AB 109) and other Health Agency fund centers to FC 184 – Law Enforcement Medical Care (LEMC) to fund increased salary and pharmaceutical expenses as well as a small remodel in the jail medical care unit;
6. Approve a budget adjustment in the amount of \$57,000 from unanticipated revenue from Court collected penalties and fees to FC 351- Emergency Medical Services for payments to physicians and hospitals who provide uncompensated emergency medical care;
7. Approve a budget adjustment in the amount of \$375,500 from the various revenue sources to FC 181- Foster Care and Adoptions to cover unanticipated expedites;
8. Approve a budget adjustment in the amount of \$480,560 to FC 180- Social Services Administration and amend the Fixed Asset list for FC 180 – Social Services, to add a security video recording equipment system in the amount of \$13,500;
9. Approve a budget adjustment in FC 136 – Sheriff-Coroner in the amount of \$130,503 to recognize unanticipated Revenue State and Federal grants and the sale of equipment to offset unbudgeted expenses;
10. Approve a budget adjustment from General Fund Contingencies in the amount of \$250,000 in FC 135 – Public Defender to cover unbudgeted expenditures;
11. Approve a budget adjustment in the amount of \$75,000 from unanticipated revenue from additional property tax receipts to FC 377 – Library to fund unbudgeted expenses related to compensation increases and retirement payouts;

12. Approve a budget adjustment from unanticipated revenue in the amount of \$35,779 and from General Fund Contingencies in the amount of \$94,842 in FC 141 – Agricultural Commissioner for unbudgeted expenditures related to negotiated salary and benefit increases and additional temporary help salaries;
13. Approve a budget adjustment from General Fund Contingencies in the amount of \$10,728 in FC 100 – Board of Supervisors to fund unbudgeted expenses related to compensation increases;
14. Approve a budget adjustment from General Fund Contingencies in the amount of \$115,040 in FC 107 – Auditor- Controller to fund unbudgeted expenses related to compensation increases;
15. Approve e a budget adjustment from General Fund Contingencies in the amount of \$20,182 in FC 108 –Treasurer/Tax Collector/Public Administrator to fund unbudgeted expenses related to compensation increases; and
16. Approve a budget adjustment from General Fund Contingencies in the amount of \$3,503 in FC 215 –Farm Advisor to fund unbudgeted expenses related to compensation increases.

The Board is also asked to approve the following miscellaneous budget action not requiring a budget adjustment:

17. Approve an amendment to the Fixed Asset list for FC 160 – Public Health, to add a \$14,000 mobile trailer to store supplies for the Public Health Emergency Preparedness program.

Memos from the departments are included in Attachment 4. Memos are not included for the departments that need a budget adjustment from General Fund Contingencies due to the prevailing wage increases.

Surplus Vehicles:

Requests to declare County vehicles surplus and authorize their disposal are presented to the Board for consideration. County Code Section 2.36.030(5) provides the authority to sell, destroy or otherwise dispose of any personal property belonging to the County and found by the Board of Supervisors not to be required for public use. General Services requests that the Board declare seven vehicles surplus and authorize their disposal.

A memo from General Services is included in Attachment 5.

Section 5: Capital and Maintenance Projects Managed by General Services, Public Works, Airports, and Golf
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The third quarter status reports on capital and maintenance projects can be found in Attachment 6. This information is provided to keep the Board apprised of the status of various capital and maintenance projects managed by General Services, Public Works, Airports, and Golf.

Section 6: Annual Debt Review

The annual report from the Auditor-Controller-Treasurer-Tax-Collector-Public Administrator providing a debt review can be found in Attachment 7. This report confirms the County's is compliance with legal debt limitations and indicates the County's overall debt burden and current credit rating.

In addition, the Auditor-Controller-Treasurer-Tax-Collector is requesting the Board direct the Auditor-Controller-Treasurer-Tax Collector-Public Administrator and the County Administrative Officer to identify Pension Obligation Bond debt payment options. A discussion of the bonds and associated recommendations are included in Attachment 8.